

ABSTRACT

Human development is one of the key indicators in assessing the success of a country's development. In enhancing human development, the government plays a crucial role, particularly through its intervention in the provision of public budgets, especially in strategic sectors such as education and health. Government spending allocations are expected to contribute to the improvement of people's quality of life as reflected in the Human Development Index (HDI). This study aims to analyze the effect of government expenditure in education and health on the Human Development Index (HDI) in Indonesia using control variables such as poverty rate, unemployment, inequality, population, and economic growth. The data used are panel data from regencies and cities in Indonesia covering the period from 2010 to 2019. By employing the Fixed Effect Model (FEM) approach, the results indicate that education expenditure and health expenditure have a significant relationship with the HDI.

Keywords : *Government Expenditure, Education, Health, Human Development Index (HDI)*

JEL Classification : *H51, H52, O15*

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